

OVERSEAS PAY AND PERSONNEL PRACTICES

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A summary of the major conclusions contained in the transmittal letter and report submitted by the Bureau of the Budget and the Civil Service Commission on April 1, 1952, to the Post Office and Civil Service Committees of the Senate and the House of Representatives pursuant to Public Law 201, 82d Congress.

### I. Transmittal Letter

#### 1. Career Service

"The overseas personnel practices of the Federal Government generally are not designed to provide a career service similar to that established within the United States."

#### 2. Position Classification

"...accurate position classification is particularly necessary to equitable salary determination as well as to effective recruitment and placement. In practice, however, desirable consistency is not always achieved because position classification is not applied effectively overseas on a Government-wide basis."

#### 3. Allowances and Differentials (Territorial)

"Rigidity in the allowance structure for the Territories and possessions has created pressures to increase classification grades as a means for achieving pay levels overseas which are realistic in relation to living conditions and costs."

#### 4. Personal Qualities for Overseas Service

"There is need for considering certain personnel qualities as well as technical competence when recruiting for overseas service."

#### 5. Orientation to Overseas Service

"Overseas personnel need a very thorough orientation with reference to the broad overseas objectives of the United States and of the specific agency program, as well as to the economic, political, social, and historical setting in which they are to work....At present...insufficient orientation of this type is provided...."

#### 6. Employee Services

"The lack of adequate housing, medical services, and community facilities in many areas of the world has created employee morale problems, and has made it necessary for Federal agencies to provide such services...in order to recruit and retain overseas employees.... These services have been developed by each agency independently with a consequent lack of Government-wide consistency."

7. Home Leave

"....without charge to their annual leave, United States citizens employed under the Foreign Service Act are brought back to the United States at intervals of two years for home leave. This serves the need for keeping them in touch with the current American scene. Other Federal agencies are not authorized to grant home leave to their overseas employees."

8. Non-United States Citizen Personnel

"With respect to all aspects of the employment of non-citizen personnel, there is a high degree of agency and local field station autonomy....the Government frequently is criticized abroad for not observing local social security practices, with which it generally cannot conform because of specific United States legal prohibitions."

II. The Overseas Report

Chapter III

A. Recruitment

1. "Recruitment is carried on under a number of systems which differ widely in both over-all approach and individual procedures."
2. "...overseas services generally do not offer the same tenure of employment which is available in the United States."
3. "The same kinds of overseas recruitment problems are experienced by all Federal agencies."

B. Examination, Selection and Appointment

1. "Very little has been done to develop selection guides which take into account the personality characteristics which are essential to successful overseas performance."

C. Placement and Transfer

1. "The development of policies and procedures to assure maximum utilization of particular employee skills and experience at their posts of assignment varies considerably among agencies."
2. All agencies except State assign personnel to positions corresponding in level to their grades.
3. "Transfers between the domestic and overseas Government service are hampered because of the different systems of employee-status in the two areas."

D. Promotions

1. There are two different systems used overseas: the formalized system of the Foreign Service, and those of other agencies.
2. "Most agencies report that their chief promotion problems result from lack of interchangeability between the competitive and noncompetitive services."

E. Separation

1. Lack of interchangeability is a cause of voluntary separations. Most overseas employees quit after fulfilling their employment agreement.

F. Performance Evaluation

1. Nearly all agencies use plans having common characteristics - for U. S. citizen employees.
2. Post Office rates only unsatisfactory employees.
3. "Non-United States citizens generally are not covered by performance evaluation plans."

G. Training

1. Orientation for overseas employees is provided on widely varying bases.
2. Assurance that the individual knows the mission of his agency often depends upon the concern of the supervisor and interest of the employee.

H. Base Pay

1. "The base pay of Federal employees serving overseas is determined under a variety of laws and through the use of many different operating procedures."
2. CSC classification standards "cover approximately 75 percent of the overseas positions which are subject to the Classification Act."
3. CSC "does not conduct a classification post-audit program overseas."
4. The Foreign Service of the State Department uses position classification as a guide in recruitment, promotion, and assignment and in determination of salary but it is not controlling.
5. "Among the 15 to 20 agencies using prevailing labor market pay scales, there are many different methods and procedures for classifying or grading positions."

I. Premium Pay

1. Overseas and domestic practices do not differ.

J. Allowances and Differentials

1. "Overseas allowances and differential practices vary between Territorial and foreign areas, among agencies and programs within agencies, and among different pay groups."
2. "Some serious morale problems have arisen where additional payment has not been provided to compensate for unnecessary expenses or prices which exceed those in the United States."
3. There has been an "erroneous assumption that all Territories and possessions merit the same treatment." Conditions found

K. Termination Benefits

1. "The laws of many foreign countries require the payment of termination benefits (to their nationals) but the United States Government agencies are unable to comply."

L. Incentive Awards

1. Overseas and domestic practices do not differ.

M. Retirement and Injury Compensation

1. "The existence of two different retirement systems for employees working in the Foreign Service has created a serious morale problem in the Department of State."
2. "All Federal agencies with major overseas functions report as a problem the issue of determining whether, and to what extent, the United States Government should contribute, as an employer of non-citizen personnel, to the social security systems generally applicable to other employees in the same foreign countries."

N. Leave

1. "Employees recruited in Territories and possessions for duty elsewhere are not granted...travel free time when taking leave at their place of recruitment."
2. "Home Leave," granted by law only to employees of the Foreign Service "was felt to be discriminatory against employees of the other agencies."
3. The Comptroller General's Decision B-104200, in effect, prohibiting employees of agencies other than those under the Foreign Service Act of 1946 from receiving travelling expenses to take leave in the States between tours of duty abroad is a serious deterrent to continued employment overseas.

O. Standards of Conduct and Personal Activities Overseas

1. Certain agencies have regulations which are in addition to those prescribed for the domestic service and which are specifically directed toward conditions found overseas.

P. Grievances

1. The agencies, in general, follow domestic practices. Remoteness introduces some problems.

Q. Labor Relations

1. "The relations of the U. S. Government, as an employer, with organizations of its employees overseas are complicated by the presence in the overseas work force of non-citizen employees."
2. Agencies are restricted in being unable to reconcile United States and foreign legal provisions.

R. Employee Services

1. "There is variation in the employee service facilities provided by the Federal agencies overseas. The facilities range from 'none' in many cases to provision for nearly all of the recognized services in one or two cases."
2. Inadequate housing is one of the major recruitment and retention difficulties.
3. "Inadequate (health and medical) facilities, lack of treatment for dependents, and high cost of medical services were problems most frequently cited by the reporting agencies."
4. "The initial adjustment to overseas life is difficult for many newly arrived employees....for the most part assistance is informal."
5. Personal property loss, unprotected by insurance of a cost within average means is an important problem.
6. The lack of adequate, reasonably priced schools is a deterrent to overseas recruitment and retention.

Chapter IV

A. Organization and Administration

1. "The diversity of statutes and regulations applying to U. S. Government employees overseas leads to numerous systems of personnel management and resulting problems which are beyond the power of any one administrative agency to solve."
2. "Regulatory responsibility for Federal employees overseas is primarily divided between the Department of State and the Civil Service Commission." Bureau of the Budget, Labor and FSA also have some responsibility.
3. "No general coordinating machinery exists to bring these various agencies together on problems of overseas personnel management."
4. "Although the Civil Service Commission is responsible for many phases of personnel administration in overseas areas, its resources have not permitted full exercise of this responsibility."

5. "Personnel administration of noncitizens employed by the United States in foreign areas is, in general, regulated by the head of the employing agency. There is some lack of consistency in employment conditions governing such employees of American agencies in the same country."
6. "Organization for personnel management in foreign countries varies greatly among the Federal agencies conducting programs overseas."

B. Processing and Record Keeping

1. "There is no marked uniformity of policies and practices except in a few areas where they have been prescribed by law, Executive Order, or other authority."
2. "The problem of (faulty) communication looms large, particularly to those agencies operating on a decentralized basis."
3. "Another problem of some proportions springs from the absence of well-developed agency reporting and record-keeping programs."
4. "Federal overseas agencies generally have not installed the 'Basic Personnel Records and Files System.'"
5. "There is need for further study of overseas reporting requirements and procedures with a view to development of simplified practices as nearly uniform as possible."